

## 6306.0 - Employee Earnings and Hours, Australia, May 2012

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# Summary

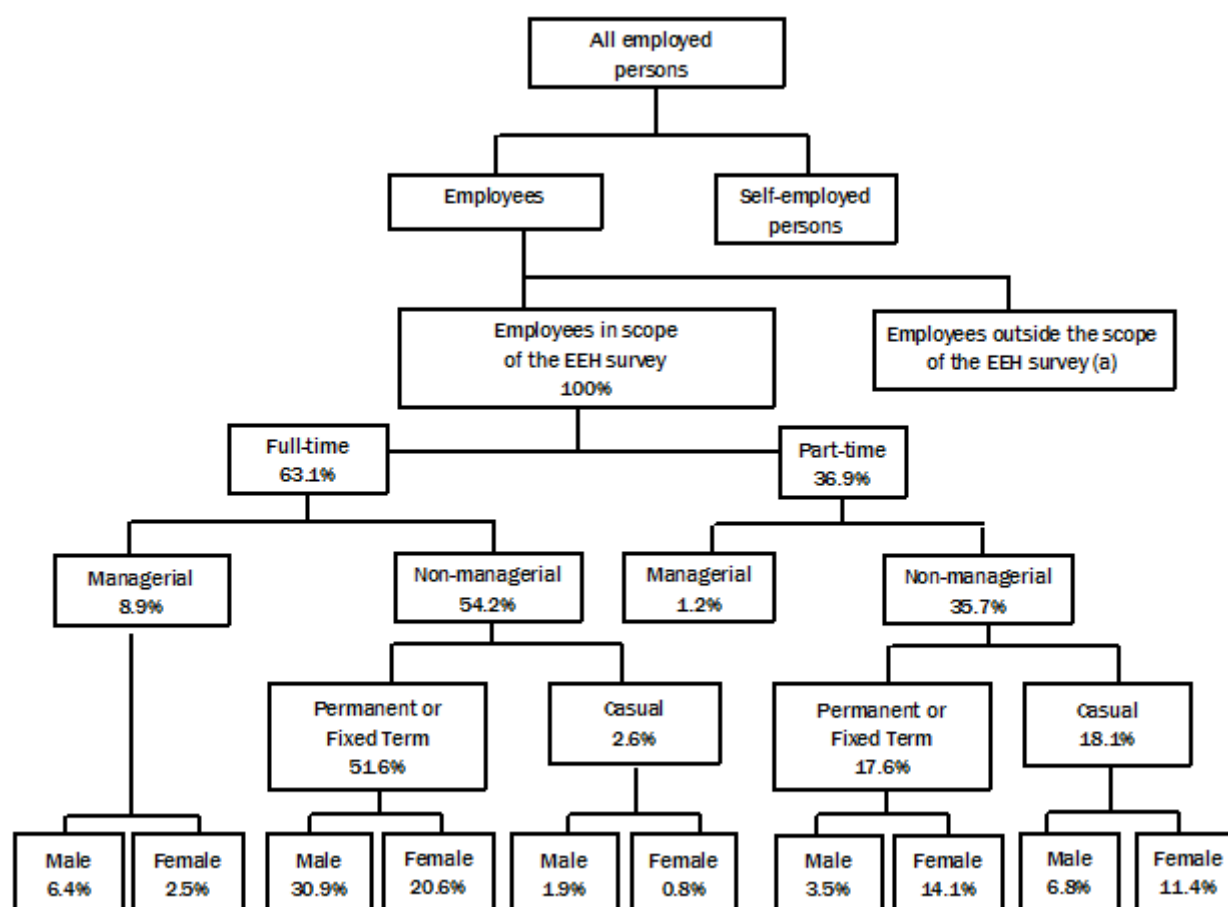
## Summary of Findings

### OVERVIEW

This publication contains statistics on the composition and distribution of earnings and hours paid for, of employees, as well as information on how employees' pay is set - by award only, collective agreement or individual arrangement. The statistics are based on the Survey of Employee Earnings and Hours conducted in respect of May 2012.

### COMPOSITION BY CATEGORY, ALL EMPLOYEES

The diagram below shows the proportion of employees in scope of the May 2012 Survey of Employee Earnings and Hours, by category of employee.



(a) See paragraphs 5 and 6 of the Explanatory Notes.

## **HEADLINE RESULTS**

In May 2012, the average weekly total cash earnings for all employees were \$1,122.60 and for all full-time employees were \$1,452.00.

Median weekly total cash earnings in May 2012 were \$963.00 for all employees. One quarter of all employees earned \$588.00 or less and one quarter of all employees earned \$1,462.00 or more.

Median weekly total cash earnings for all full-time employees were \$1,250.00. One in ten full-time employees received weekly total cash earnings of \$738.00 or less while one in ten full-time employees received weekly total cash earnings of \$2,364.00 or more.

## **ALL EMPLOYEES**

### **EMPLOYMENT COMPOSITION AND AVERAGE EARNINGS**

Publication tables with full details of employment composition and average earnings presented in this section, as well as method of setting pay data, are available in Data Cube 1, ALL EMPLOYEES, Average weekly total cash earnings. Fine level occupation data are also available in Data Cube 6, ALL EMPLOYEES, Average weekly total cash earnings, Occupation by Sex and Data Cube 8, ALL EMPLOYEES, Average weekly total cash earnings, Occupation by Method of setting pay.

All data cubes, including Standard Error tables, can also be accessed via the Downloads tab.

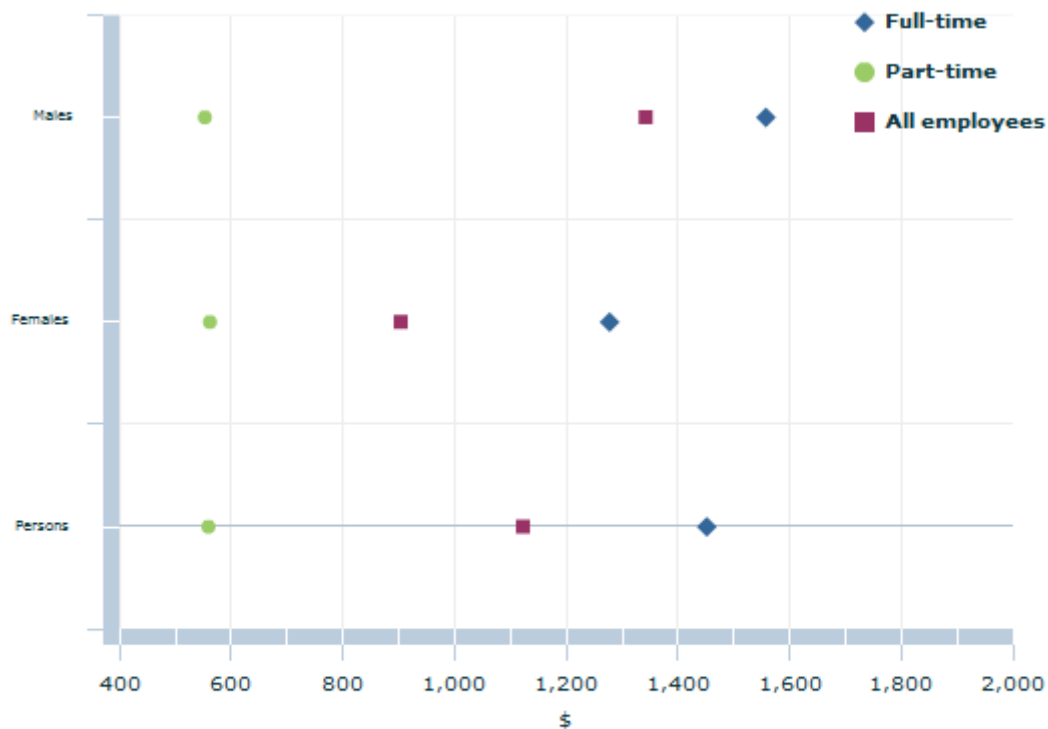
### **Key results by category**

In May 2012, 49.9% of all employees were male and 50.1% of all employees were female. Average weekly total cash earnings were \$1,122.60 for all employees, \$1,342.50 for male employees and \$904.00 for female employees.

Full-time employees made up 63.1% of all employees and had average weekly total cash earnings of \$1,452.00. Part-time employees accounted for 36.9% of all employees and had average weekly total cash earnings of \$560.00.

Male employees were predominantly full-time (78.5% of male employees) and full-time males had average weekly total cash earnings of \$1,558.10. Part-time male employees had average weekly total cash earnings of \$553.90.

AVERAGE WEEKLY TOTAL CASH EARNINGS, Employment status



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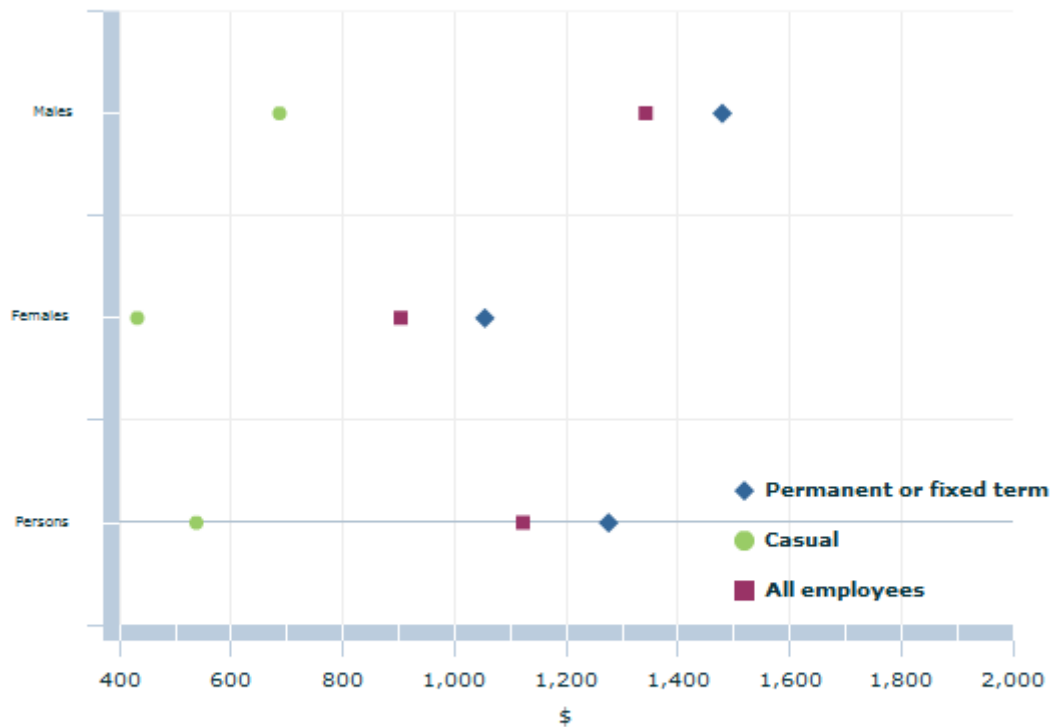
**Source(s):** Employee Earnings and Hours, Australia

More female employees were employed part-time (52.3%) than full-time (47.7%). Average weekly total cash earnings were \$1,278.40 for full-time females and \$562.40 for part-time females.

The majority of employees (79.2%) were employed on a permanent or fixed term basis and had average weekly total cash earnings of \$1,276.10. Average weekly total cash earnings were \$1,480.00 for permanent or fixed term males and \$1,054.90 for permanent or fixed term females.

Casual employees accounted for 20.8% of employees and had average weekly total cash earnings of \$538.20. A greater proportion of female employees (24.2%) were casual than were male employees (17.3%). Average weekly total cash earnings were \$432.20 for casual females and \$687.20 for casual males.

AVERAGE WEEKLY TOTAL CASH EARNINGS, Employment type



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Source(s): Employee Earnings and Hours, Australia

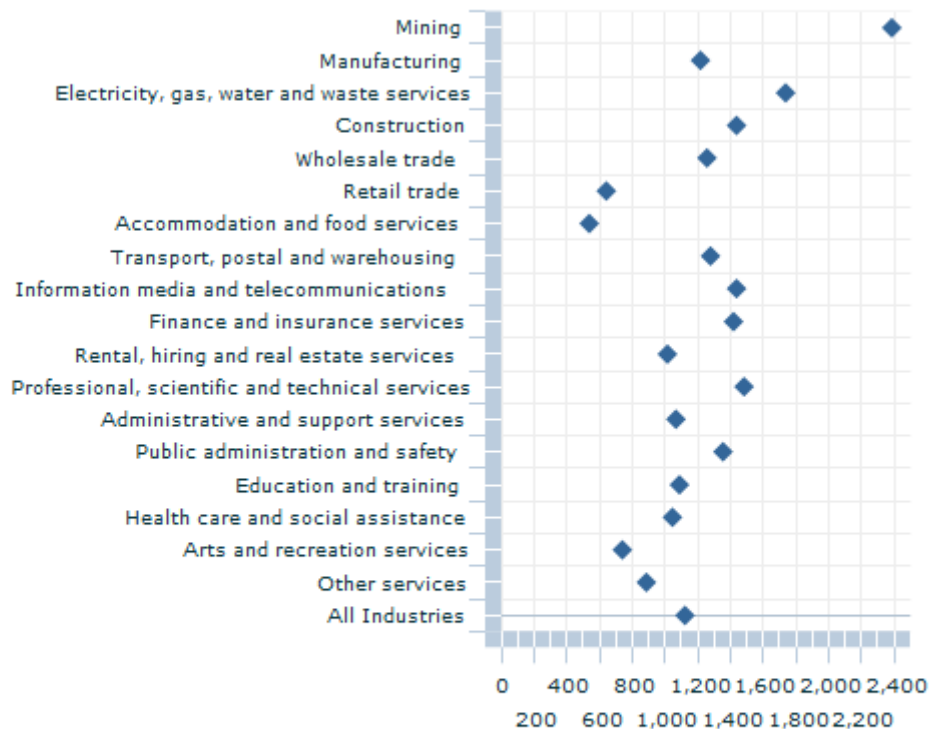
## Occupation

Among major occupation groups, **Managers** had the highest average weekly total cash earnings (\$1,926.40) while **Sales workers** had the lowest (\$606.60). **Managers** comprised 10.1% of all employees and **Sales workers** comprised 11.5% of all employees. The highest proportion of employees were **Professionals** (20.0%) who received average weekly total cash earnings of \$1,438.00.

## Industry

Average weekly total cash earnings were highest for employees in the **Mining** industry (\$2,388.20), who represented 1.6% of all employees. The lowest average weekly total cash earnings were for employees in the **Accommodation and food services** industry (\$538.80), who represented 7.2% of employees. The highest proportion of employees were in the **Health care and social assistance** industry (12.7%) who received average weekly total cash earnings of \$1,047.80.

#### AVERAGE WEEKLY TOTAL CASH EARNINGS, Industry



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**Source(s):** Employee Earnings and Hours, Australia

### States and territories

The average weekly total cash earnings of all employees were highest in the Australian Capital Territory (\$1,357.00) and lowest in Tasmania (\$926.70). The highest proportion of employees was in New South Wales (30.3%) where average weekly total cash earnings were \$1,119.70.

### Sector

Average weekly total cash earnings for all employees were higher for employees in the public sector (\$1,321.90) than in the private sector (\$1,074.20). Private sector employees comprised 80.4% of all employees and public sector employees comprised 19.6% of all employees.

### Employer Size

Of employees other than owner managers of incorporated enterprises, more than half were employed in businesses with 100 or more employees: 29.9% were employed by businesses with 1,000 or more employees; and 27.4% were employed in businesses with between 100 and 999 employees. Almost a quarter (23.3%) were employed in businesses with less than 20 employees.

Average weekly total cash earnings were lowest in businesses with under 20 employees (\$844.60) and highest in businesses with 1,000 or more employees (\$1,256.60).

## **METHODS OF SETTING PAY**

Information on the methods of setting pay for employees refers to how an employee's pay was set in the survey reference period.

Employees classified to 'Award only' had their rate of pay specified by an award and were not paid more than that rate of pay.

Employees classified to the 'Collective agreement' category had their pay set by collective agreement, such as an enterprise agreement, or an enterprise award.

Those in the 'Individual arrangement' category include employees who had their pay set by an individual contract, registered individual agreement (e.g. Australian Workplace Agreement), common law contract, or an agreement to receive over award payments.

Owner managers of incorporated enterprises are presented separately in estimates by methods of setting pay.

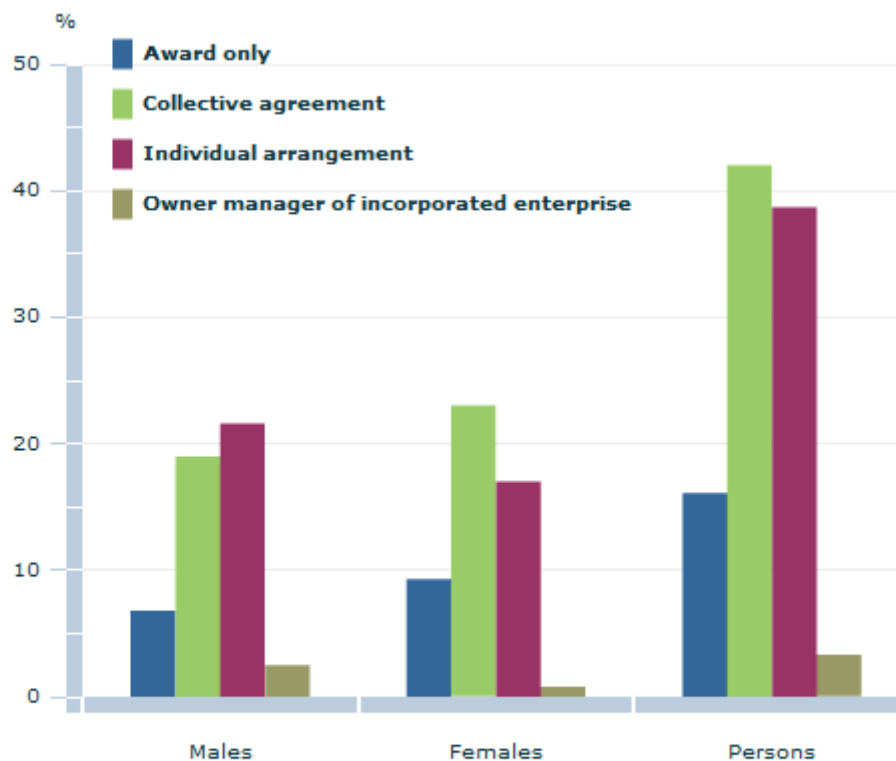
Publication tables with full details of methods of setting pay presented in this section, as well as employment composition and average earnings data, are available in Data Cube 1, ALL EMPLOYEES, Average weekly total cash earnings. Fine level occupation by method of setting pay tables are also available in Data Cube 8, ALL EMPLOYEES, Average weekly total cash earnings, Occupation by Method of setting pay.

All data cubes, including Standard Error tables, can also be accessed via the Downloads tab.

### **Key results by category**

The most common methods of setting pay for all employees in May 2012 were collective agreement (42.0%) and individual arrangement (38.7%). Award only was the least common method of setting pay (16.1%). The remaining 3.3% of employees were owner managers of incorporated enterprises. For full-time employees, the most common method of setting pay was individual arrangement (46.1%). The most common method of setting pay for part-time employees was collective agreement (46.1%).

**METHODS OF SETTING PAY, All employees**



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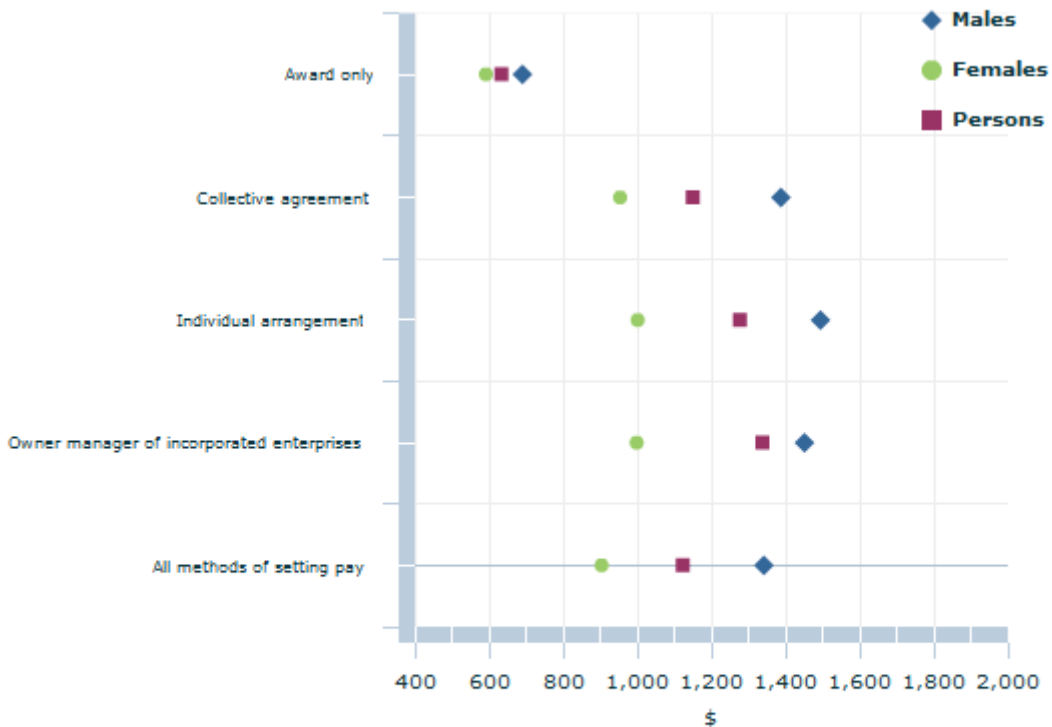
**Source(s):** Employee Earnings and Hours, Australia

For all employees, average weekly total cash earnings were highest for owner managers of incorporated enterprises (\$1,337.50), followed by employees paid by individual arrangements (\$1,277.20), collective agreement (\$1,150.80) and award only (\$633.80). For full-time employees only, those whose pay was set by collective agreement had the highest average weekly total cash earnings (\$1,518.50), followed by individual arrangement (\$1,506.50), owner managers of incorporated entities (\$1,455.70) and award only (\$933.40).

For all male employees, the most common method of setting pay was individual arrangement (43.4%), while the most common method of setting pay for all female employees was collective agreement (45.9%).

Average weekly total cash earnings for employees who had their pay set by individual arrangement were higher for males than females (\$1,494.40 and \$1,001.00 respectively). Similarly, earnings for employees who had their pay set by collective agreement were higher for males (\$1,388.50) than females (\$954.60). The difference in earnings, however, was significantly less for employees whose pay was set by award only (\$690.10 for males and \$592.70 for females).

#### AVERAGE WEEKLY TOTAL CASH EARNINGS, Method of setting pay



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Source(s): Employee Earnings and Hours, Australia

Collective agreement was the most common method of setting pay for both permanent or fixed term employees (43.4%) and casual employees (36.7%).

### Occupation

More than half of all **Community and personal service workers** (52.9%) and **Professionals** (52.3%) were paid by collective agreement. Collective agreement was also the most common method of setting pay for **Machinery operators and drivers** (47.6%), **Labourers** (45.3%) and **Sales workers** (43.8%).

Individual arrangement was the most common method of setting pay for **Managers** (62.1%), **Technicians and trades workers** (48.8%) and **Clerical and administrative workers** (48.0%). Although award only was not the most common method of setting pay for any occupation group, the occupations with the largest proportion of employees paid by award only were **Labourers** (29.0%), **Community and personal service workers** (28.8%) and **Sales workers** (25.8%).

**Managers** paid by individual arrangement had the highest average weekly total cash earnings (\$2,078.50) whilst **Sales workers** paid by award only had the lowest average weekly total cash earnings (\$422.10).

### Industry



The award only method of setting pay for employees was highest in the **Accommodation and food services** industry (44.8%). The collective agreement method was highest for the **Public administration and safety** industry (85.9%). The **Professional, scientific and technical services** industry had the highest proportion of employees paid by the individual arrangement method (77.3%).

Employees in the **Mining** industry paid by individual arrangement had the highest average weekly total cash earnings (\$2,532.50) and employees paid by collective agreement in the **Accommodation and food services** industry had the lowest average weekly total cash earnings (\$398.30).

## States and territories

South Australia had the highest proportion of employees whose pay was set by award only (20.1%). The Australian Capital Territory had the highest proportion of employees whose pay was set by collective agreement (60.4%) and New South Wales had the highest proportion of employees whose pay was set by individual arrangement (41.7%).

Of all methods of setting pay, owner managers of incorporated enterprises in Western Australia received the highest average weekly total cash earnings (\$2,046.00), followed by employees paid by individual arrangement in the Australian Capital Territory (\$1,562.50). Of employees paid by collective agreement, the highest average weekly total cash earnings were received by employees in the Australian Capital Territory (\$1,418.00).

Employees paid by award only in the Australian Capital Territory had the lowest average weekly total cash earnings (\$483.60) of all States/territories. Of those employees paid by award only, the highest average weekly total cash earnings were received in Western Australia (\$685.10).

## Sector

The most common method of setting pay in the private sector was individual arrangement (47.2%) followed by collective agreement (30.4%). The average weekly total cash earnings for private sector employees paid by individual arrangement were \$1,264.20 and by collective agreement were \$1,042.80. Almost nine in ten (89.8%) employees in the public sector were paid by collective agreement. Average weekly total cash earnings for these employees were \$1,301.00.

Employees paid by award only made up 18.4% of employees in the private sector and 6.7% of employees in the public sector. Employees paid by award only received average weekly total cash earnings of \$579.40 in the private sector and \$1,249.70 in the public sector.

## Employer Size

Of those employees paid by individual arrangement, almost two in five (39.7%) were employed by businesses with less than 20 employees. A similar proportion (38.2%) of employees paid by award only also worked for businesses with less than 20 employees. Those employees who had their pay set by collective agreement tended to be from larger employers: 56.0% worked in businesses with 1,000 or more employees and 33.0% worked in businesses with 100 to 999 employees.

Across every size of employer, those employees paid by individual arrangement had higher average weekly total cash earnings than those paid by collective agreement and award only. Of employees other than owner managers of incorporated enterprises, those working for employers with 1,000 or more employees paid by individual arrangement received the

highest average weekly total cash earnings (\$1,894.10) and those paid by award only in businesses with under 20 employees received the lowest average weekly total cash earnings (\$545.80).

## DISTRIBUTION OF EARNINGS FOR ALL EMPLOYEES

Publication tables with full details of distributions of earnings presented in this section are available in Data Cube 2, ALL EMPLOYEES, Distributions weekly total cash earnings. All data cubes, including Standard Error tables, can also be accessed via the Downloads tab.

### Weekly total cash earnings, Employment status

Median weekly total cash earnings for all full-time adult employees were \$1,261.00 and were \$1,250.00 for all full-time employees. The lowest paid 10% of all full-time adults received weekly total cash earnings of \$769.00 or less while the highest paid 10% received \$2,382.00 or more.

Median weekly total cash earnings for all part-time employees were \$472.00. Although 10% of all part-time employees received weekly total cash earnings of \$108.00 or less, 10% received \$1,068.00 or more.

In May 2012 there were 509,200 full-time employees and 20,500 part-time employees receiving \$2,500.00 or more per week.

### ALL EMPLOYEES, Distribution of weekly total cash earnings– Employment status

	FULL-TIME EMPLOYEES		PART-TIME EMPLOYEES	ALL EMPLOYEES
	Adult	Total	Total	Total
WEEKLY TOTAL CASH EARNINGS (\$) (a)				
Deciles and quartiles				
10th Percentile	769.00	738.00	108.00	255.00
20th Percentile	888.00	867.00	194.00	475.00
25th Percentile (1st quartile)	950.00	928.00	242.00	588.00
30th Percentile	1,000.00	983.00	289.00	683.00
40th Percentile	1,125.00	1,109.00	384.00	827.00
50th Percentile (median) (2nd quartile)	1,261.00	1,250.00	472.00	963.00
60th Percentile	1,432.00	1,409.00	577.00	1,129.00
70th Percentile	1,620.00	1,608.00	689.00	1,328.00
75th Percentile (3rd quartile)	1,737.00	1,724.00	752.00	1,462.00
80th Percentile	1,903.00	1,888.00	819.00	1,602.00
90th Percentile	2,382.00	2,364.00	1,068.00	2,073.00
<b>Average weekly total cash earnings</b>	<b>1,474.60</b>	<b>1,452.00</b>	<b>560.00</b>	<b>1,122.60</b>

(a) Percentiles are based on whole dollars only.

## ALL NON-MANAGERIAL EMPLOYEES

Data on hours paid for are not collected for those employees classified as managerial employees for the purpose of the Survey of Employee, Earnings and Hours. Results broken down by ordinary time and overtime, as well as hours paid for and hourly rates, are only available for non-managerial employees. See paragraphs 21 and 22 of the Explanatory Notes for further information on the definition of managerial employees.

Publication tables with full details of average cash earnings and hours paid for presented in this section, along with data for full-time non-managerial adults, are available in Data Cube

3, NON-MANAGERIAL EMPLOYEES, Averages and Distributions, Cash earnings and hours paid for. All data cubes, including Standard Error tables, can also be accessed via the Downloads tab.

## **EMPLOYMENT COMPOSITION, AVERAGE EARNINGS AND HOURS PAID FOR**

### **Method of setting pay and type of employee by Sex**

Permanent full-time non-managerial employees were paid for, on average, 39.4 hours per week and received average weekly total cash earnings of \$1,351.60. Permanent part-time non-managerial employees were paid for, on average 22.9 hours per week and received average weekly total cash earnings of \$676.50. Casual non-managerial employees were paid for, on average, 19.3 hours per week at an average hourly total cash earnings rate of \$27.80 to receive average weekly total cash earnings of \$536.60.

Permanent full-time males made up 34.4% of all non-managerial employees. Permanent full-time non-managerial male employees were paid for, on average, 40.4 hours per week at an hourly cash rate of \$35.70 to receive \$1,442.10 in average weekly total cash earnings.

Permanent full-time females made up 23.0% of all non-managerial employees. These employees were paid for, on average, 37.9 hours per week at an hourly cash rate of \$32.10 to receive \$1,215.90 in average weekly total cash earnings.

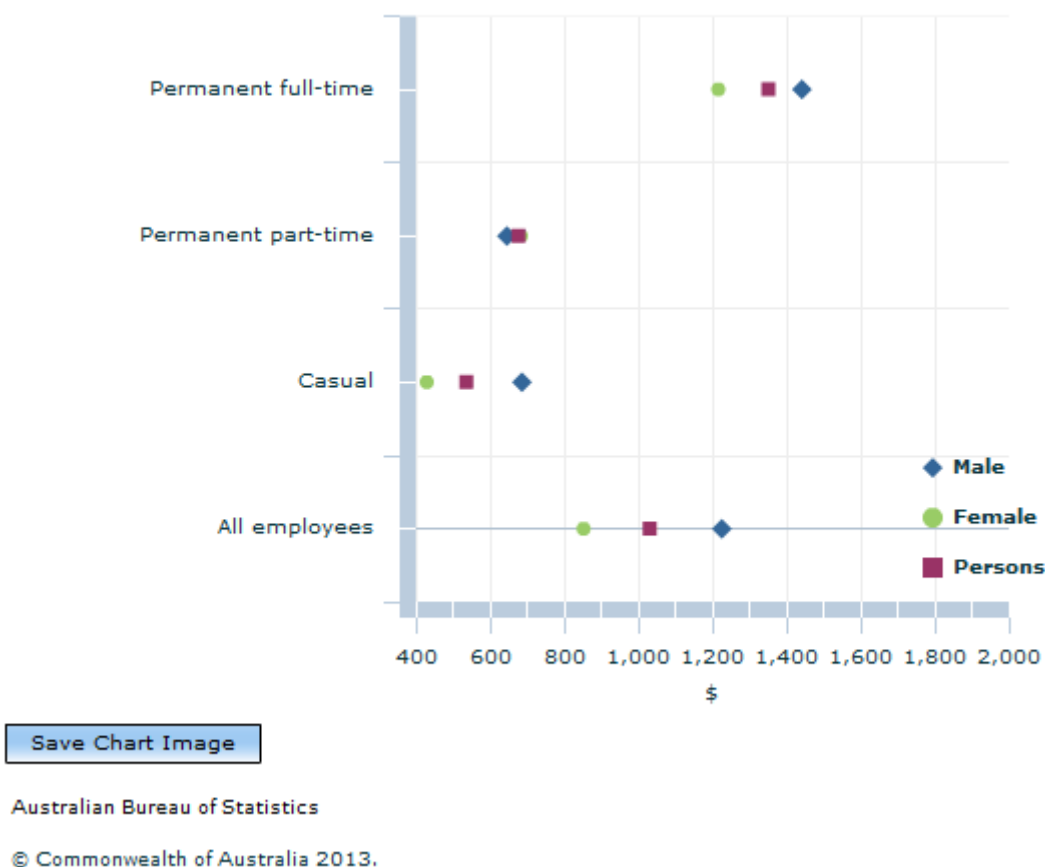
Permanent part-time females made up 15.7% of all non-managerial employees. A further 13.5% of all non-managerial employees were casual females.

Permanent part-time non-managerial females were paid for, on average, 23.2 hours per week at an hourly cash rate of \$29.50 to receive average weekly total cash earnings of \$684.10. Casual females were paid for, on average 16.4 hours per week at an hourly cash rate \$26.20 to receive average weekly total cash earnings of \$429.70.

Of all non-managerial employees, 9.6% were casual males and only 3.9% were permanent part-time males. Casual non-managerial males were paid for, on average, 23.4 hours per week at an hourly cash rate of \$29.40 per hour to receive \$686.70 in average weekly total cash earnings. Permanent part-time non-managerial males were paid for, on average, 21.9 hours per week at an hourly cash rate of \$29.40 to receive average weekly total cash earnings of \$645.70.

All non-managerial males, on average, were paid for 35.5 hours per week and received average weekly total cash earnings of \$1,226.30. All non-managerial females were paid for, on average, 27.9 hours per week and received average weekly total cash earnings of \$852.50.

**AVERAGE WEEKLY TOTAL CASH EARNINGS, Combined employment type & status for non-managerial employees**



**Source(s):** Employee Earnings and Hours, Australia

Among non-managerial employees, the most common method of setting pay was collective agreement (44.9%). For permanent full-time non-managerial employees, the most common method of setting pay was individual arrangement (45.6%). The highest average hourly total cash earnings were received by permanent full-time males paid by collective agreement (\$38.40), who were also paid for the highest average weekly total hours (40.9 hours) resulting in the highest average weekly total cash earnings (\$1,573.60).

## FULL-TIME NON-MANAGERIAL ADULT EMPLOYEES

Analysis of results for full-time non-managerial adult employees provides an opportunity to compare earnings and hours paid for by sex, method of setting pay, occupation, industry and sector without compositional elements such as the proportion of part-time and junior employees. For example, an industry with a large proportion of part-time and junior employees will have lower average earnings for all employees than an industry with a small proportion of part-time and junior employees.

Publication tables with full details of average cash earnings and hours paid for plus distributions of total cash earnings presented in this section, along with data for all non-managerial employees, are available in Data Cube 3, NON-MANAGERIAL EMPLOYEES, Averages and Distributions, Cash earnings and hours paid for.

A range of finer detail data for Full-time non-managerial adults are available in Data Cube 4, FULL-TIME NON-MANAGERIAL ADULT EMPLOYEES, Average weekly cash earnings and

hours paid for—Occupation by Sex by States and Territories, Data Cube 5, FULL-TIME NON-MANAGERIAL ADULT EMPLOYEES, Average weekly cash earnings and hours paid for—Industry by Sex by States and Territories, Data Cube 7, FULL-TIME NON-MANAGERIAL ADULT EMPLOYEES, Average weekly cash earnings and hours paid for—Occupation by Sex and Data Cube 9, FULL-TIME NON-MANAGERIAL ADULT EMPLOYEES, Average weekly cash earnings and hours paid for—Occupation by Method of setting pay.

All data cubes, including Standard Error tables can also be accessed via the Downloads tab.

## TOTAL CASH EARNINGS AND HOURS PAID FOR

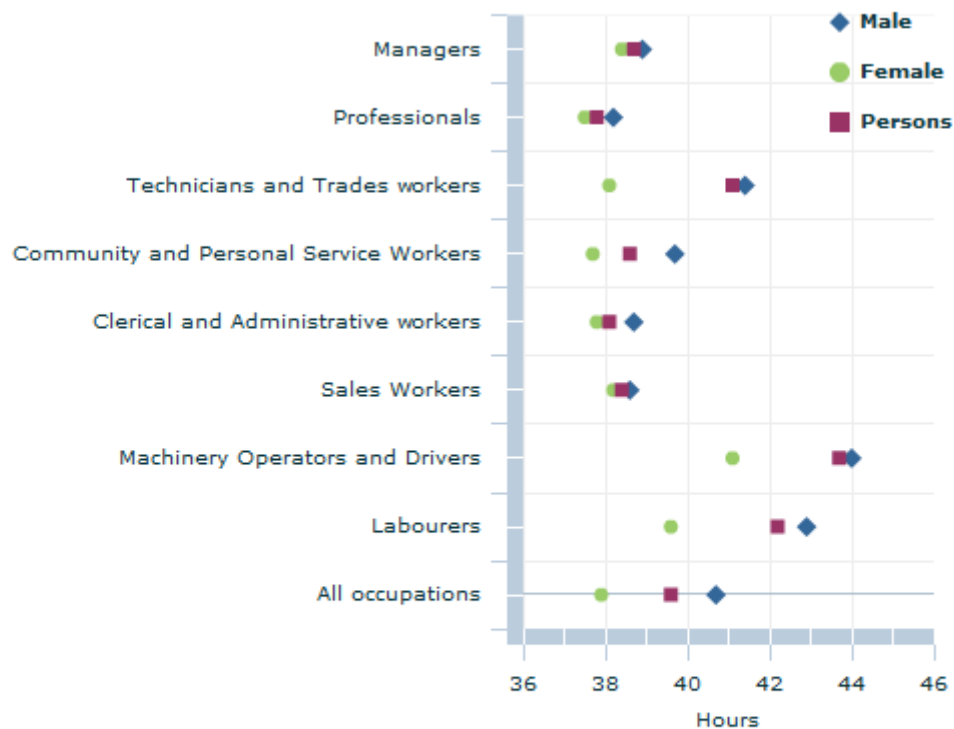
In May 2012, average weekly total cash earnings were \$1,374.40 for full-time non-managerial adult employees (\$1,471.70 for male employees and \$1,226.40 for female employees). For this category of employee, average weekly total hours paid for were 39.6 hours (40.7 hours for males and 37.9 hours for females). Average hourly total cash earnings for full-time non-managerial adult employees was \$34.70.

Full-time non-managerial adult employees made up 52.7% of all employees. The most common method of setting pay for these employees was an individual arrangement (45.8%) and for these employees the average weekly total cash earnings was \$1,357.30. The next most common method of setting pay was collective agreement (43.9%) and these employees had the highest average weekly total cash earnings of \$1,483.10. The least common method of setting pay was award only (10.3%) and for these employees the average weekly total cash earnings was \$987.80.

## Occupation

Among the major occupation groups, full-time non-managerial adult **Machinery operators and drivers** had the highest average weekly total hours paid for (43.7 hours) while **Professionals** had the lowest average weekly total hours paid for (37.8 hours). **Professionals** had the highest average hourly total cash earnings (\$43.80) among full-time non-managerial adult employees, and **Sales workers** had the lowest (\$27.40).

## TOTAL HOURS PAID FOR, Full-time non-managerial adult employees - Occupation



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Source(s): Employee Earnings and Hours, Australia

## Industry

Average weekly total hours paid for were highest in the **Mining** industry (43.6 hours) and lowest in the **Education and training** industry (36.8 hours) for full-time non-managerial adult employees. The **Mining** industry also had the highest average hourly total cash earnings of \$52.30. The **Accommodation and food services** industry had the lowest average hourly total cash earnings of \$23.90.

## Sector

For full-time non-managerial adult employees, average weekly total hours paid for were higher in the private sector (40.0 hours) than in the public sector (37.9 hours). In contrast, average hourly total cash earnings were higher in the public sector than the private sector (\$39.80 and \$33.40 respectively).

## DISTRIBUTION OF EARNINGS

### Weekly total cash earnings, Method of setting pay

Median weekly total cash earnings for full-time non-managerial adults were \$1,212.00. The lowest paid 25% of all full-time non-managerial adults received \$933.00 or less in weekly total cash earnings. The next 50% of full-time non-managerial adults received weekly total cash earnings between \$933.00 and \$1,635.00.

One in ten full-time non-managerial adults received weekly total cash earnings of \$769.00 or less, while one in ten received weekly total cash earnings of \$2,162.00 or more.

Median weekly total cash earnings for full-time non-managerial adults were highest for those paid by collective agreement (\$1,347.00) followed by individual arrangement (\$1,164.00) and award only (\$876.00). The middle 50% of full-time non-managerial adults paid by collective agreement received weekly total cash earnings between \$1,035.00 and \$1,739.00, compared to a range of \$923.00 to \$1,588.00 for those paid by individual arrangement and \$713.00 to \$1,135.00 for those paid by award only.

### FULL-TIME NON-MANAGERIAL ADULT EMPLOYEES, Distribution of weekly total cash earnings–Method of setting pay

	Award only	Collective agreement (a)	Individual arrangement (b)	All methods of setting pay
WEEKLY TOTAL CASH EARNINGS (\$) (c)				
Deciles and quartiles				
10th Percentile	624.00	848.00	770.00	769.00
20th Percentile	688.00	975.00	873.00	877.00
25th Percentile (1st quartile)	713.00	1,035.00	923.00	933.00
30th Percentile	746.00	1,098.00	962.00	981.00
40th Percentile	807.00	1,222.00	1,058.00	1,091.00
50th Percentile (median) (2nd quartile)	876.00	1,347.00	1,164.00	1,212.00
60th Percentile	959.00	1,501.00	1,292.00	1,348.00
70th Percentile	1,064.00	1,654.00	1,482.00	1,539.00
75th Percentile (3rd quartile)	1,135.00	1,739.00	1,588.00	1,635.00
80th Percentile	1,222.00	1,868.00	1,728.00	1,754.00
90th Percentile	1,538.00	2,227.00	2,194.00	2,162.00
<b>Average weekly total cash earnings</b>	<b>987.80</b>	<b>1,483.10</b>	<b>1,357.30</b>	<b>1,374.40</b>

(a) Includes registered and unregistered collective agreements.

(b) Includes registered and unregistered individual arrangements.

(c) Percentiles are based on whole dollars only.

### Weekly total cash earnings, Occupation by Sex

For all full-time non-managerial adults, occupation groups with the highest median weekly total cash earnings were **Professionals** (\$1,543.00) and **Managers** (\$1,390.00). Despite lower median earnings, 30% of **Managers** received weekly total cash earnings of \$1,839.00 or more and 10% received \$2,692.00 or more, whereas 30% of **Professionals** received \$1,788.00 or more and 10% received \$2,385.00 or more.

The occupation groups with the lowest median weekly total cash earnings for full-time non-managerial adults were **Sales workers** (\$949.00) and **Labourers** (\$988.00). The highest paid 10% of **Sales workers** received \$1,601.00 or more, whereas the highest paid 10% of **Labourers** received \$2,025.00 or more.

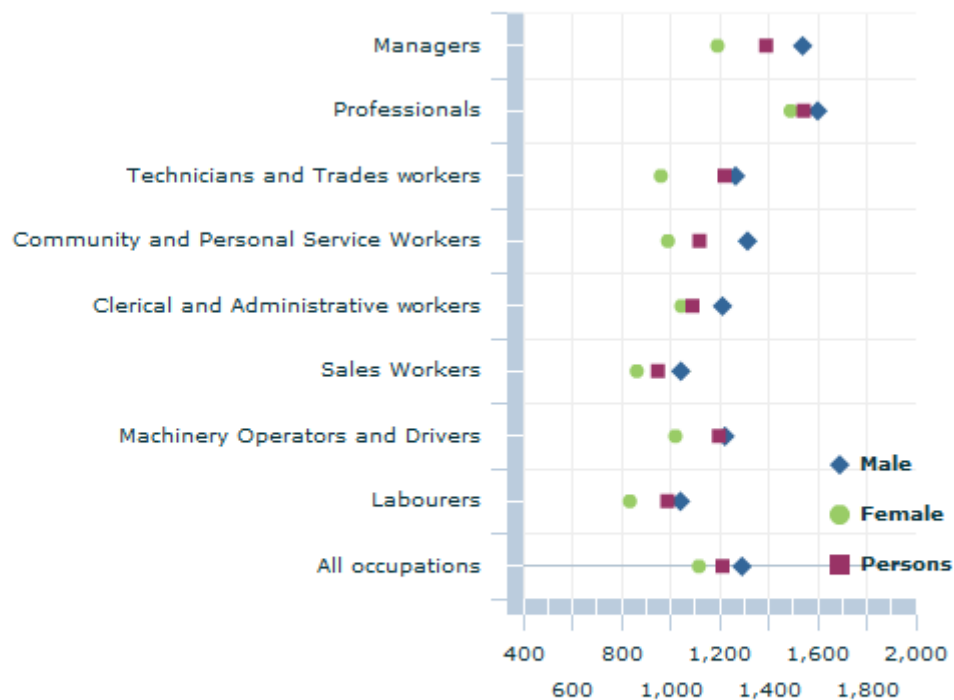
One in ten full-time non-managerial adult **Clerical and administrative workers** received weekly total cash earnings of \$1,680.00 or more, while one in ten full-time non-managerial adult **Community and personal service workers** received \$1,909.00 or more.

Median weekly total cash earnings for full-time non-managerial adults were higher for males (\$1,292.00) than females (\$1,116.00). The lowest paid 10% of full-time non-managerial adult males received weekly total cash earnings of \$788.00 or less compared to \$741.00 or less for females. The highest paid 10% of full-time non-managerial adult males received weekly total cash earnings of \$2,373.00 or more compared to \$1,843.00 or more for females.

For both male and female full-time non-managerial adults, median weekly total cash earnings were highest for **Professionals** (males \$1,601.00, females \$1,489.00) then **Managers** (males \$1,538.00, females \$1,193.00) and lowest for **Labourers** (males \$1,042.00, females \$834.00) then **Sales workers** (males \$1,044.00, females \$863.00).

The difference between median weekly total cash earnings for full-time non-managerial adult males and females was smallest for **Professionals** (males \$1,601.00, females \$1,489.00) and greatest for **Managers** (males \$1,538.00, females \$1,193.00).

**MEDIAN WEEKLY TOTAL CASH EARNINGS, Full-time non-managerial adult employees - Occupation by Sex**



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**Source(s):** Employee Earnings and Hours, Australia

## Weekly total cash earnings, Industry

Median weekly total cash earnings for all full-time non-managerial adult employees were highest for those employees in the **Mining** industry (\$2,224.00), which was \$650.00 higher than for the next highest industry, **Electricity, gas, water and waste services** (\$1,574.00). One in four full-time non-managerial adult employees in the **Mining** industry received weekly total cash earnings of \$2,719.00 or more. One in four full-time non-managerial adult employees in **Electricity, gas, water and waste services** received weekly total cash earnings of \$2,142.00 or more.

By industry, the highest paid 10% of full-time non-managerial adult employees received the highest weekly total cash earnings in **Mining** (\$3,302.00 or more), **Construction** (\$2,856.00 or more) and **Electricity, gas, water and waste services** (\$2,740.00 or more).

In contrast, industries with the lowest median weekly total cash earnings for all full-time non-managerial adults were **Retail trade** (\$885.00) and **Accommodation and food services**



(\$888.00). One in four full-time non-managerial adults in **Retail trade** received weekly total cash earnings of \$769.00 or less while only one in four received \$1,100.00 or more. Similarly, one in four full-time non-managerial adults in **Accommodation and food services** received weekly total cash earnings of \$760.00 or less and only one in four received \$1,019.00 or more.

One in ten full-time non-managerial adult employees in the **Mining** industry received weekly total cash earnings of \$1,308.00 or less while only one in ten full-time non-managerial adult employees in the **Accommodation and food services** industry received weekly total cash earnings of \$1,189.00 or more.

### Weekly total cash earnings, Sector

Median weekly total cash earnings were greater for full-time non-managerial adult employees in the public sector (\$1,417.00) than the private sector (\$1,140.00). Earnings for the highest paid 10% of full-time non-managerial adult employees were higher in the private sector (\$2,189.00) than the public sector (\$2,093.00).

In the private sector, the middle 50% of full-time non-managerial adults received weekly total cash earnings between \$883.00 and \$1,587.00 compared to between \$1,154.00 and \$1,720.00 in the public sector.

### ALL FULL-TIME NON-MANAGERIAL ADULT EMPLOYEES, Distribution of weekly total cash earnings–Sector

	Private sector	Public sector	All sectors
WEEKLY TOTAL CASH EARNINGS (\$) (a)			
Deciles and quartiles			
10th Percentile	740.00	963.00	769.00
20th Percentile	841.00	1,110.00	877.00
25th Percentile (1st quartile)	883.00	1,154.00	933.00
30th Percentile	933.00	1,206.00	981.00
40th Percentile	1,024.00	1,302.00	1,091.00
50th Percentile (median) (2nd quartile)	1,140.00	1,417.00	1,212.00
60th Percentile	1,275.00	1,549.00	1,348.00
70th Percentile	1,472.00	1,657.00	1,539.00
75th Percentile (3rd quartile)	1,587.00	1,720.00	1,635.00
80th Percentile	1,725.00	1,817.00	1,754.00
90th Percentile	2,189.00	2,093.00	2,162.00
<b>Average weekly total cash earnings</b>	<b>1,335.60</b>	<b>1,509.10</b>	<b>1,374.40</b>

(a) Percentiles are based on whole dollars only.

## About this Release

The survey is designed to provide statistics on the composition and distribution of earnings and hours of employees and whether their pay is set by award, collective agreement or individual agreement. Distribution and composition of average weekly earnings and hours of employees is classified by sex, adult/junior, full-time/part-time, managerial/non-managerial, industry, State/Territory, sector (private/government), employer unit size and composition of earnings and hours paid for. Methods of setting pay data are also available by jurisdiction.

The reference period for the 2012 survey is the last pay period ending on or before 18 May 2012.

## History of Changes

**This document was added or updated on 24/10/2013.**

**18/01/2017** - An error was identified in the calculation of percentile data for the May 2012 release. The impact of the error in the percentile data was minor, however, these changes have been reflected in the updated data cube and relevant commentary. This error only impacted the percentile data and no other estimates released have been affected.

**24/10/2013** - Data cube 5 (Full-time non-managerial adult employees, Average weekly cash earnings and hours paid for - Industry by sex by states and territories) had a small number of misleading ANZSIC 2-digit labels on each state/territory and Australia level worksheets. The labels for codes 80 to 87 had "(private)" incorrectly appended even though the data presented includes both the public and private sectors. The industry description and the estimates provided in the data cube are correct. Data cube 5 has been updated to correct these ANZSIC 2-digit labels.

## One in ten full-time employees earn \$2,364 or more per week (Media Release)

### MEDIA RELEASE

23 January 2013

Embargo: 11.30 am (Canberra Time)

08/2013

### One in ten full-time employees earn \$2,364 or more per week

The Australian Bureau of Statistics has today released a report showing that in May 2012, one in ten full-time employees earned \$2,364 or more per week. It was also found that one in ten full-time employees earned \$738 or less per week.

ABS Director of Labour Employer Surveys, Mike Scott said "The Employee Earnings and Hours, Australia publication is released every two years and provides statistics on employee earnings and hours worked, broken down by industry, sex and state/territory among others.

"We found that the highest average weekly total cash earnings reported for all employees were for Managers (\$1,926) and Professionals (\$1,438) and the lowest average weekly total cash earnings were reported for Sales workers (\$607), Community and personal service workers (\$707), and Labourers (\$779)." Mr Scott said.

"Across industries, average weekly total cash earnings for all employees ranged from \$539 in the Accommodation and food services industry to \$2,388 in the Mining industry. In the Mining industry, 63 per cent of full-time adult non-managerial employees earned weekly total cash earnings of more than \$2,000 per week.

"Those employees who had their pay set by award only received the lowest average weekly total earnings (\$634) compared with those employees who had their pay set by individual arrangement (\$1,277) and collective agreement (\$1,151). Of those paid by award only, the largest proportion were Community and Personal service workers (21 per cent).

"Average weekly total cash earnings for females were lower than for males across almost all variables. For all employees, male earnings were \$1,343 compared with \$904 for females, while full-time adult male employees received weekly total cash earnings of an average \$1,472 compared with \$1,226 for full-time adult females", Mr Scott said.

Further information is available in *Employee Earnings and Hours, Australia, May 2012* (cat. no. 6306.0)

**Media note:**

When reporting ABS data the Australian Bureau of Statistics (or ABS) must be attributed as the source.

# Explanatory Notes

## Explanatory Notes

### EXPLANATORY NOTES

#### INTRODUCTION

**1** This publication contains estimates from the 2012 Survey of Employee Earnings and Hours which was conducted in respect of May 2012.

**2** The survey is designed to provide detailed statistics on the composition and distribution of earnings and hours paid for, of employees. Information is collected from a sample of employers about characteristics of employers (such as industry and sector) and their employees (such as occupation, type of employee, and method of setting pay). This information is used to provide comprehensive statistics about earnings and hours paid for, for various groups of employees, for example, classified by industry, occupation and pay setting method.

#### CONCEPTS, SOURCES AND METHODS

**3** Descriptions of the underlying concepts of employee earnings, hours paid for and methods of setting pay, and the sources and methods used in compiling these estimates, are presented in **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001) which is available on the ABS web site <<https://www.abs.gov.au>>.

**4** Estimates of employee earnings produced from the Survey of Employee Earnings and Hours and presented in this publication are based on the Australian conceptual framework for measures of employee remuneration. From 2006, the measure of employee earnings for estimates produced from the survey is regular wages and salaries in cash (including amounts salary sacrificed), that is, cash earnings.

## **SCOPE AND COVERAGE**

**5** The survey covered all employing organisations in Australia (public and private sectors) except:

- enterprises primarily engaged in agriculture, forestry and fishing;
- private households employing staff; and
- foreign embassies, consulates, etc.

**6** The employees of employers covered in the survey are in scope if they received pay for the reference period, except:

- members of the Australian permanent defence forces;
- employees based outside Australia; and
- employees on workers' compensation who are not paid through the payroll.

## **SURVEY METHODOLOGY AND DESIGN**

**7** The survey uses a two-stage sample selection approach. The first stage involves selecting a probability sample of employer units from the ABS Business Register. The statistical unit for the first stage comprises all activities of an employer in a particular state or territory based on the Australian Business Number (ABN) unit or Type of Activity Unit (TAU) (see paragraphs 9-16). Each statistical unit is classified to an industry which reflects the predominant activity of the business. The statistical units are stratified by state/territory, sector (private/public), industry, and employment size. Within each stratum statistical units are selected with equal probability. A sample of approximately 8,400 employer (selection) units was selected to ensure adequate industry and state/territory representation.

**8** In the second stage the selected employers are asked to select a random sample of employees from their payrolls using instructions provided by the ABS. Data for approximately 55,000 employees contributed to the results in this publication.

**9** For the first time, the 2012 Survey of Employee Earnings and Hours provided the selected businesses the option of completing the survey questionnaires online rather than using the traditional paper questionnaire. A large majority of businesses chose to complete and submit their responses online.

## **STATISTICAL UNITS DEFINED ON THE ABS BUSINESS REGISTER**

**10** The ABS uses an economic statistics units model on the ABS Business Register to describe the characteristics of businesses (and other organisations, including government departments), and the structural relationships between related businesses. The units model is also used to group related businesses into relatively homogeneous components that can provide data to the ABS.

**11** The ABS units model allocates businesses to one of two sub-populations. The vast majority of businesses are in what is called the ATO Maintained Population, while the remaining businesses are in the ABS Maintained Population. Together, these two sub-populations make up the ABS Business Register population.

## ATO MAINTAINED POPULATION

**12** Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN), and are then included on the ATO Australian Business Register. Most of these businesses have simple structures, in which case the unit registered for an ABN will satisfy ABS statistical requirements. For these businesses, the ABS has aligned its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO Maintained Population, and the ABN unit is used for these businesses as the statistical unit for all economic collections.

## ABS MAINTAINED POPULATION

**13** For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS maintains its own units structure through direct contact with the business. These businesses constitute the ABS Maintained Population. This population consists typically of large, complex and diverse businesses. The statistical units model described below is used for these businesses.

**14** Enterprise Group: This is a unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the **Corporations Legislation Amendment Act 1991**), including legal entities such as companies, trusts, and partnerships. Majority ownership is not required for control to be exercised.

**15** Enterprise: The enterprise is an institutional unit comprising (i) a single legal entity or business entity, or (ii) more than one legal entity or business entity within the same Enterprise Group and in the same institutional sub-sector (i.e. they are all classified to a single Standard Institutional Sector Classification of Australia (SISCA) sub-sector).

**16** Type of Activity Unit (TAU): The TAU comprises one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar economic activities. When a minimum set of data items is available, a TAU is created which covers all the operations within an industry sub-division (and the TAU is classified to the relevant sub-division of ANZSIC). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry sub-division.

**17** For more information on the ABS economic statistics units model, refer to **Information Paper: Improvements in ABS Economic Statistics [Arising from The New Tax System]** (cat. no. 1372.0).

## INDUSTRY CLASSIFICATION

**18** Each statistical unit is classified to an industry which reflects the primary activity of the organisation in the state or territory. Since May 2008 the classification used in this publication is the **Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993**. This classification has since been replaced by the **Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006** (cat. no. 1292.0). The 2006 edition of ANZSIC was developed to provide a more contemporary industrial classification system taking into account issues such as changes in the structure and composition of the economy, changing user demands and compatibility with major international classification

standards.

**19** Employees selected in the Survey of Employee Earnings and Hours are classified to the industry of the organisation in which they are employed.

## OCCUPATION CLASSIFICATION

**20** Each employee in the survey is classified to an occupation based on their job title and duties. Since May 2006, the classification used in this publication is the **Australian and New Zealand Standard Classification of Occupations (ANZSCO), First Edition** (cat. no. 1220.0). Data in previous publications of this series issued since 1996 are based on the **Australian Standard Classification of Occupations (ASCO), Second Edition**.

## MANAGERIAL STATUS

**21** Employees have been classified as managerial if they have strategic responsibilities in the conduct or operations of the business and/or were in charge of a significant number of employees. These employees usually did not have an entitlement to paid overtime. Hours paid for are not collected for employees with managerial status.

**22** Care should be taken when comparing survey estimates based on ANZSCO groups with estimates based on the managerial status of employees. Estimates for employees with managerial status include employees classified to ANZSCO categories other than the ANZSCO major group **Managers**; e.g. employees classified as **Professionals** according to ANZSCO may be categorised by employers as having managerial status. Conversely, tables in this publication which contain estimates for non-managerial employees (as defined by employers) include some employees classified to the ANZSCO major group **Managers**.

## METHODS OF SETTING PAY

**23** Data on how employees' pay was set in the survey reference period have been collected in the survey since May 2000 as well as data on whether agreements (individual or collective) were certified, approved or registered with an industrial tribunal or authority.

**24** Estimates of employees covered by the various pay setting methods, and their associated pay outcomes, have been compiled based on the workplace relations environment following the introduction of the **Fair Work Act 2009** and the subsequent introduction of the **Fair Work (State Referral and Consequential and Other Amendments) Act**, which allowed for the extension of the **Fair Work Act** to states that refer workplace relations related matters to the Commonwealth. From 1 January 2010, private sector employers in New South Wales, Queensland, South Australia and Tasmania are covered by the national system. Data in previous publications of this series issued since 2000 are based on the workplace relations environment prior to the introduction of this legislation. The Fair Work system replaced the **Workplace Relations Amendment (Work Choices) Act 2005** that was in place for the August 2008 Survey of Employee Earnings and Hours.

**25** Key elements of the Fair Work system include:

- a legislated safety net of 10 National Employment Standards;
- new modern awards; and
- revised enterprise bargaining arrangements, including the cessation of registered

individual agreements.

**26** Under the Fair Work system, the majority of employees come under the federal workplace relations system. The following employers are covered by the national system:

- constitutional corporations (including a financial or trading corporation - generally Pty Ltd or Ltd);
- the Commonwealth and Commonwealth authorities;
- employers who employ flight crews, maritime employees or waterside workers;
- employers in the Australian Capital Territory and Northern Territory;
- most Victorian employers; and
- private sector employees in New South Wales, Queensland, South Australia and Tasmania.

**27** The following employers are generally not covered by the national system:

- state government public sector employers;
- Australian corporations whose main activity is not trading or financial; and
- sole traders and partnerships in Western Australia.

**28** Since 2010, information about the proportions of employees covered by national and state jurisdictions for pay setting are no longer published but may be available in the Confidentialised Unit Record File (CURF). See Paragraph 35 of the Explanatory Notes.

## EMPLOYEE ESTIMATES

**29** From May 2010, estimates of numbers of employees by method of setting pay are presented in this survey publication, to add context around other estimates by method of setting pay. Care should be taken in the interpretation and use of such estimates, as the Survey of Employee Earnings and Hours is not designed specifically to produce estimates of numbers of employees. Consideration should be given to the level of variance of the estimates of numbers of employees, which are available from the standard error tables in the electronic data release accompanying this publication. Users are directed to **Labour Force, Australia** (cat. no. 6202.0) as the primary source for official ABS estimates of employment.

## COMPARABILITY OF RESULTS

**30** Caution should be exercised when comparing estimates of numbers of employees from the Survey of Employee Earnings and Hours with those published monthly in **Labour Force, Australia** (cat. no. 6202.0) as there are a number of differences between the two collections. The Survey of Employee Earnings and Hours is a business survey that collects information from a sample of employers about their employees, whereas the Labour Force Survey is a household survey that collects information from the occupants of selected dwellings. The two collections use different sample design and survey methodologies and there are differences in scope and coverage. Users are directed to **Labour Force, Australia** (cat. no. 6202.0) as the primary source for official ABS estimates of employment. Detailed information about the concepts, sources and methods of the Survey of Employee Earnings and Hours and Labour Force Survey can be found in **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001).

**31** From May 2006, estimates of employee earnings from the Survey of Employee Earnings and Hours have been produced on a cash basis, that is, inclusive of amounts salary sacrificed. This differs from estimates provided in previous publications of this series, which excluded amounts salary sacrificed by employees. Estimates from the May 2004 and May 2002 surveys have also been reproduced on the new conceptual basis, and broad level estimates for these years were included in the electronic data release accompanying the May 2006 publication.

**32** Care should be taken when comparing estimates of average weekly earnings from the Survey of Employee Earnings and Hours with those published biannually in **Average Weekly Earnings, Australia** (cat. no. 6302.0). Estimates of average weekly earnings in that publication are presented on the previous conceptual basis (i.e. exclusive of amounts salary sacrificed), although Average Weekly Cash Earnings (inclusive of salary sacrifice) are available in data cubes accessed via the downloads tab of **Average Weekly Earnings, Australia** (cat. no. 6302.0). Additionally, the two collections use different sample design and survey methodologies. The Survey of Average Weekly Earnings collects information relating to the total gross earnings and the total number of employees of employer units selected in the survey. The average weekly earnings measures are derived by dividing total gross earnings by the number of employees. The Survey of Employee Earnings and Hours collects information about weekly earnings of a sample of employees within the employer units selected.

## RELIABILITY OF ESTIMATES

**33** Estimates are subject to sampling and non-sampling errors. For information on the reliability of estimates see the Technical Note.

## PRODUCTS AND SERVICES

**34** In addition to the standard tables provided in this release (available in spreadsheet format from the Downloads tab), a limited range of data at ANZSCO 4 digit level by State and Territory is available on request. Contact National Information and Referral Service on 1300 135 070.

## CONFIDENTIALISED UNIT RECORD FILE (CURF)

**35** The feasibility of producing a CURF of the results from the 2012 Survey of Employee Earnings and Hours will be undertaken. This will be an Expanded CURF and it will only be accessible through the RADL and ABSDL. The CURF will be available in SAS, STATA and SPSS format. Further information about ABS microdata, including conditions of use, is available via the [Microdata](#) section on the ABS web site.

## RELATED PUBLICATIONS

**36** Users may also wish to refer to the following publications:

- **Australian Labour Market Statistics** (cat. no. 6105.0) - issued quarterly;
- **Average Weekly Earnings, Australia** (cat. no. 6302.0) - issued biannually;
- **Employee Earnings, Benefits and Trade Union Membership, Australia** (cat. no. 6310.0) - issued annually;
- **Information Paper: Changes to ABS Measures of Employee Remuneration** (cat.



- no. 6313.0) - issued 14 Nov 2006;
- **Labour Force, Australia** (cat. no. 6202.0) - issued monthly;
  - **Wage and Salary Earner Statistics for Small Areas, Time Series** (cat. no. 5673.0.55.003) - issued annually;
  - **Wage Price Index, Australia** (cat. no. 6345.0) - issued quarterly;
  - **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001); and
  - **Employment and Earnings, Public Sector, Australia** (cat. no. 6248.0.55.002) - issued annually.

## ROUNDING

**37** Estimates of earnings shown in the tables and data cubes are rounded to the nearest 10 cents and those of average weekly hours paid for are rounded to the first decimal place.

**38** Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

## Glossary

### GLOSSARY

#### Adult employees

Employees who are 21 years of age or over, and employees under 21 years old who are paid at the full adult rate for their occupation.

#### Average (mean) earnings

The amount obtained by dividing the total earnings of a group (e.g. full-time employees) by the number of employees in that group.

#### Award only

Awards are legally enforceable determinations made by federal or state industrial tribunals that set the terms of employment (pay and/or conditions), usually in a particular industry or occupation.

An award may be the sole mechanism used to set the pay and/or conditions for an employee or group of employees, or alternatively may be used in conjunction with an individual or collective agreement. Employees are classified to the Award only category if they are paid at the rate of pay specified in the award, and are not paid more than that rate of pay.

#### Cash earnings

Remuneration paid to employees on a regular and frequent basis (quarterly or more frequently) for time worked or work done and for time not worked, such as recreation and other types of leave. Cash earnings (inclusive of amounts salary sacrificed) are gross amounts, that is, before tax and other items (e.g. superannuation) are deducted.

## Casual employees

Casual employees usually receive a higher rate of pay, to compensate for lack of permanency and leave entitlements.

## Collective agreement

An agreement between an employer (or group of employers) and a group of employees (or one or more unions or employee associations representing the employees). A collective agreement sets the terms of employment (pay and/or conditions) for a group of employees, and is usually registered with a Federal or State industrial tribunal or authority.

Employees are classified to the Collective agreement category if they had the main part of their pay set by a registered or unregistered collective agreement or enterprise award.

## Employees

Persons who worked for a private or public employer and received pay for the reference period in the form of wages or salaries, a commission while also receiving a retainer, tips, piece rates or payment in kind. Persons who operated their own incorporated business with or without hiring employees were also included as employees.

## Employer size

A measure of the size of the business in terms of the number of employees within that business. The employer size reflects the size of the business in a particular state or territory and not necessarily the size of the business Australia-wide.

## Full-time employees

Employees who normally work the agreed or award hours for a full-time employee in their occupation. If agreed or award hours do not apply, employees are regarded as full-time if they usually work 35 hours or more per week.

## Individual arrangement

An arrangement between an employer and an individual employee on the terms of employment (pay and/or conditions) for the employee. Common types of individual arrangements are individual contracts, letters of offer and common law contracts. An individual contract (or letter of offer) may specify all terms of employment, or alternatively may reference an award for some conditions and/or in the setting of pay (e.g. over award payments). Individual contracts may also be registered with a Federal or State industrial tribunal or authority (e.g. as an Australian Workplace Agreement). However, the **Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008** ceased the registration of individual agreements from 28 March 2008.

Employees are classified to the Individual arrangement category if they have their pay set by an individual contract, registered individual agreement (e.g. Australian Workplace Agreement), common law contract, or if they receive overaward payments by individual agreement.

## Industry

Classified according to the **Australian and New Zealand Standard Industrial**

**Classification (ANZSIC), 2006** (cat. no. 1292.0).

### **Junior employees**

Employees who are under 21 years of age and are not paid at the full adult rate for their occupation.

### **Managerial employees**

Employees who have strategic responsibilities in the conduct or operations of the organisation and/or are in charge of a significant number of employees. These employees usually do not have an entitlement to paid overtime. Includes professionally qualified staff who primarily perform managerial tasks in conjunction with utilising their professional skills. Owner managers of incorporated enterprises are regarded as managerial employees.

### **Median earnings**

The amount of earnings which divides employees into two groups containing equal numbers of employees, one half with earnings below the median and the other half with earnings above the median.

### **Method of setting pay**

How an employee's pay is set. Employees are classified to one of the following categories: Award only; Collective agreement; Individual arrangement; or Owner manager of incorporated enterprise.

### **Non-managerial employees**

Employees who are not managerial employees (as defined above) including non-managerial professionals and some employees with supervisory responsibilities.

### **Occupation**

Classified according to the **Australian and New Zealand Standard Classification of Occupations (ANZSCO), First Edition** (cat. no. 1220.0).

### **Ordinary time cash earnings**

Payment for award, standard or agreed hours of work, including allowances, penalty payments, payments by measured result and regular bonuses and commissions. Ordinary time cash earnings are inclusive of amounts salary sacrificed. Excluded are non-cash components of salary packages, overtime payments, retrospective pay, pay in advance, leave loadings, severance pay, and termination and redundancy payments.

### **Ordinary time hours paid for**

Award, standard or agreed hours of work, paid for at the ordinary time rate. Included are stand-by or reporting time which are part of standard hours of work, and that part of annual leave, paid sick leave and long service leave taken during the reference period. Ordinary time hours paid for was not collected for managerial employees.

### **Overtime earnings**

Payment for hours worked in excess of award, standard or agreed hours of work.

## **Overtime hours paid for**

Hours paid for in excess of award, standard or agreed hours of work. Overtime hours paid for was not collected for managerial employees.

## **Owner manager of incorporated enterprise**

A person who works in their own incorporated enterprise - that is, a business entity which is registered as a separate legal entity to its members or owners (also known as a limited liability company). Owner managers of incorporated enterprises are presented separately in estimates by method of setting pay.

## **Part-time employees**

Employees who normally work less than the agreed or award hours for a full-time employee in their occupation. If agreed or award hours do not apply, employees are regarded as part-time if they usually work less than 35 hours per week.

## **Percentile**

Any of a hundred divisions of an earnings or hours distribution. For example:

- 25% of employees earn less than or equal to the 25th percentile
- 75% of employees earn less than or equal to the 75th percentile.

## **Permanent or fixed term employees**

Permanent employees are usually employed on an ongoing basis and are entitled to paid annual and sick leave. Fixed term employees are employed for a specified period of employment, and may be entitled to paid leave.

## **Reference period**

The survey refers to the last pay period ending on or before 18 May 2012. All estimates of earnings and hours in this publication are weekly, therefore, for employees paid other than weekly, estimates of earnings and hours have been converted to a weekly basis.

## **Salary sacrifice**

Salary sacrifice is defined as an arrangement where an employee agrees to forgo part of their pre-tax salary in return for benefits. Common types of salary sacrifice arrangements include pre-tax contributions to superannuation funds and novated leases for motor vehicles.

## **Sector**

Public sector comprises local government authorities and all government departments and agencies created by, or reporting to, the Commonwealth, or State/Territory Parliaments. The private sector comprises all organisations not classified as public sector.

## **Total hours paid for**

Equal to ordinary time hours paid for plus overtime hours paid for. Total hours paid for are

not collected for managerial employees.

### **Weekly total cash earnings**

Weekly total cash earnings of employees is equal to weekly ordinary time cash earnings plus weekly overtime earnings.

## **Abbreviations**

### **ABBREVIATIONS**

ABS	Australian Bureau of Statistics
ANZSCO	Australian and New Zealand Standard Classification of Occupations
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
EEH	Survey of Employee Earnings and Hours

## **Quality Declaration - Summary**

### **QUALITY DECLARATION - SUMMARY**

#### **INSTITUTIONAL ENVIRONMENT**

For information on the institutional environment of the Australian Bureau of Statistics (ABS), including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment.

#### **RELEVANCE**

The Survey of Employee Earnings and Hours (EEH) produces statistics on the composition and distribution of earnings and hours paid for, of employees. Information is collected about the characteristics of employers, such as industry and sector, and their employees, such as occupation, type of employee, and method of setting pay. This information is used to provide statistics about earnings and hours of various groups of employees, for example, classified by industry, occupation and pay setting method. Results from the survey are used by Commonwealth and State government agencies, employer associations and trade unions in developing and reviewing wages and labour market policies, and in the wage negotiating process. The survey is a key data source for Fair Work Australia, and data are also used by academics and other analysts in studies of earnings distributions.

Estimates are available by state/territory, industry, sector, occupation, sex, adult/junior, managerial status, employee type, employer size, full-time/part-time status and methods of setting pay.

#### **TIMELINESS**

The reference period for the 2012 Survey of Employee Earnings and Hours is the last pay period ending on or before 18 May 2012.

Final estimates for May 2012 were released approximately eight months after the reference period.

## **ACCURACY**

Information for the EEH survey is collected via mail questionnaires from a sample of approximately 8,400 private and public sector employers selected from the ABS Business Register. The employer sample is stratified by state, sector, industry division and employment size to ensure adequate state, sector and industry representation. These employers select a sample of employees from their payroll(s) using instructions provided by the ABS. Approximately 55,000 employees are sampled. A minimum response rate of 95% is achieved for the survey as a whole and for each state and industry.

There are two principal sources of error in surveys, sampling error and non-sampling error. Non-sampling error arises from inaccuracies in collecting, recording and processing the data. Every effort is made to minimise non-sampling error by the careful design and testing of questionnaires, detailed checking of the reported data and quality control of processing.

Sampling error occurs when a sample or subset of the population is surveyed rather than the entire population. One measure of the likely difference resulting from not including all of the population in the survey is given by the standard error. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if the whole population had been included in the survey.

## **COHERENCE**

The EEH survey has been conducted, either annually or biennially, since 1975. The survey has been biennial since 1996. Ordinarily, the survey is conducted in respect of the last pay period ended on or before the third Friday in May of the reference year. The 2008 EEH survey, however, was conducted in respect of the last pay period ended on or before the third Friday in August.

Estimates of employee earnings produced from the EEH survey are based on the Australian conceptual framework for measures of employee remuneration. From 2006, the measure of employee earnings for estimates produced from the survey is regular wages and salaries in cash (including amounts salary sacrificed), that is, cash earnings. Prior to 2006, estimates of employee earnings excluded amounts salary sacrificed by employees. Estimates from the 2002 and 2004 surveys have also been reproduced on the new conceptual basis as an aid to analysis, and broad level estimates for these years were included in the electronic data release accompanying the May 2006 publication.

Data on how employees' pay was set in the reference period have been collected in the survey since 2000. The 2000 survey collected data on whether all or any part of employees' pay was set by an individual agreement, collective agreement, award, or a combination of these. From 2002, each survey cycle has collected information on whether the main part of employees' pay was set by an individual agreement, collective agreement or award.

The EEH Survey uses Australian standard classifications to facilitate data comparability

across statistical series. Industry data from August 2008 onwards are classified according to the **Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006** (cat. no. 1292.0). Data for earlier series are classified to the 1993 edition of ANZSIC. From May 2006 onwards, data on employee occupation are classified according to the **Australian and New Zealand Standard Classification of Occupations (ANZSCO), First Edition** (cat. no. 1220.0). Data for earlier series, issued since 1996, are classified to the **Australian Standard Classification of Occupations (ASCO), Second Edition**.

The ABS conducts a number of sample surveys of businesses which collect information about employee earnings, or other measures of employee remuneration, and estimates of numbers of employees, including the Survey of Average Weekly Earnings and the Labour Force Survey. Care should be taken when comparing estimates of average weekly earnings compiled from the EEH survey with those published biannually in **Average Weekly Earnings, Australia** (cat. no. 6302.0) because of differences in the earnings concepts being measured, methodological differences between the surveys and differences in the two samples used. Estimates of numbers of employees from the Survey of Employee Earnings and Hours are published for the first time in May 2010. Users are directed to **Labour Force, Australia** (cat. no. 6202.0) as the primary source of official ABS statistics of employment. Caution should be exercised when comparing estimates of numbers of employees from EEH with those published monthly in **Labour Force, Australia** (cat. no. 6202.0) as there are a number of differences in sample design, survey methodology and scope and coverage, between the two collections.

## INTERPRETABILITY

**Employee Earnings and Hours, Australia**, May 2012 (cat. no. 6306.0) contains Explanatory Notes, a Glossary, an Appendix and a Technical Note which can provide further information about data sources, terminology and other technical aspects of the series.

## ACCESSIBILITY

**Employee Earnings and Hours, Australia**, May 2012 (cat. no. 6306.0) is available from the ABS website.

If the information you require is not available as a standard product or service, then ABS Consultancy Services can help you with customised services to suit your needs. Inquiries should be made to the National Information Referral Service on 1300 135 070.

## Data Cubes (I-Note) - Data Cubes

Correction of minor errors in percentile data for the May 2012 release have been reflected in the updated data cube.

## Data Cubes (I-Note) - Data Cubes

**24/10/13** - Small number of misleading ANZSIC 2-digit labels on each state/territory and Australia level worksheets were corrected on 24 October 2013. The estimates were correct

and have not been revised.

## Sampling Error (Technical Note)

### TECHNICAL NOTE SAMPLING AND NON-SAMPLING ERROR

#### RELIABILITY OF ESTIMATES

**1** As the estimates in this publication are based on information relating to a sample of employers and employees, rather than a full enumeration, they are subject to sampling variability, that is, they may differ from the figures that would have been produced if the data had been obtained from all employers and all employees. The difference, called sampling error, should not be confused with inaccuracy that may occur because of imperfections in reporting by respondents or in processing by the ABS. Such inaccuracy is referred to as non-sampling error and may occur in any enumeration whether it be a full count or a sample. Efforts have been made to reduce non-sampling error by careful design of questionnaires, detailed checking of returns and quality control of processing.

**2** The sampling error associated with any estimate can be estimated from the sample results. One measure of sampling error is given by the standard error, which indicates the degree to which an estimate may vary from the value that would have been obtained from a full enumeration (the 'true value'). There are about two chances in three that a sample estimate differs from the true value by less than one standard error, and about nineteen chances in twenty that the difference will be less than two standard errors. Standard errors are available in the electronic data release accompanying this publication (see data cube 10).

**3** An example of the use of a standard error is as follows. From the publication, the estimated average weekly total cash earnings for all employees paid by collective agreement is \$1,150.80, with a standard error of \$13.20 (from the standard error data cube). There would be about two chances in three that a full enumeration would have given an estimate in the range \$1,137.60 to \$1,164.00 and about nineteen chances in twenty that it would be in the range \$1,124.40 to \$1,177.20.

**4** The difference between two survey estimates is also an estimate and it is therefore subject to sampling variability. The standard error on the difference between two survey estimates in the one time period (i.e.  $x-y$ ) can be calculated using the following formula:

$$SE(x-y) = \sqrt{[SE(x)]^2 + [SE(y)]^2}$$

**5** The formula above will overestimate the standard error where there is a positive correlation between two estimates (e.g. male and female school teachers). While this formula will only be accurate where there is no correlation between two estimates (e.g. estimates from different states), it is expected to provide a reasonable approximation of the standard error for the difference between two survey estimates.

**6** From the publication, the estimated average weekly total cash earnings for all male employees is \$1,342.50, with a standard error of \$15.10 (from the standard error data cube). For all female employees the estimated average weekly total cash earnings is \$904.00 with a standard error of \$8.70. Thus the difference between the estimate of male and female earnings is \$438.50. The estimate of the standard error of the difference between the



average weekly total cash earnings employees of males and females is:

$$SE(\$1,342.50 - \$904.00) = \sqrt{(\$15.10)^2 + (\$8.70)^2} = \$17.40$$

**7** There are about two chances in three that the true figure for the difference between average weekly total cash earnings for males and females lies in the range \$421.10 to \$455.90, and about nineteen chances in twenty that the figure is in the range \$403.70 to \$473.30.

**8** The formula above can be used to estimate the standard error on a difference between estimated averages in two different years. (The movement standard error will be approximately 1.4 times the standard error on the level estimate, if the standard errors on the two level estimates are similar.)

**9** Another measure of the sampling error is the relative standard error, which is obtained by expressing the standard error as a percentage of the estimate.

**10** An asterisk appears against an estimate in this publication where the sampling variability is considered high. For the tables in this publication, estimates with relative standard errors above 25% have been labelled with a cell comment.

**11** Standard errors can be used to construct confidence intervals around the estimated proportions. There are about two chances in three that the 'true' value is within the interval that ranges from the sample estimate minus one standard error (estimate - 1xSE) to the sample estimate plus one standard error (estimate + 1xSE). There are approximately 19 chances in 20 that the 'true' value lies within the interval from the estimate minus two standard errors (estimate - 2xSE) to the estimate plus two standard errors (estimate + 2xSE).

**12** The above rule gives a symmetric confidence interval that is reasonably accurate when the estimated proportion is not too near 0.00 or 1.00. Where the estimated proportion is close to 0.00 or 1.00 it would be more accurate to use a confidence interval that was not symmetric around the sample estimate. If an estimate is close to 1.00, then the upper boundary of the confidence interval should be closer to the sample estimate than suggested above, while the lower boundary should be further from the sample estimate. Similarly, if an estimate is close to 0.00, then the lower boundary of the confidence interval should be closer to the sample estimate than suggested above, while the upper boundary should be further from the sample estimate. In particular, the symmetric confidence interval could include values that are not between 0.00 and 1.00. In such a case a good rule of thumb is to use a confidence interval of the same size as the symmetric one, but with the lower (or upper) boundary set to 0.00 (or 1.00).

**13** Data cube 10 contains estimates of standard errors from which confidence intervals may be constructed.